

**Office of Legislative Administration**

**For the Years Ended  
June 30, 2001, and June 30, 2000**

***Arthur A. Hayes, Jr., CPA, JD, CFE***  
Director

***Charles K. Bridges, CPA***  
Assistant Director

***Kandi Thomas, CPA***  
Audit Manager

***Andrew Hawkins, CFE***  
In-Charge Auditor

***Mike Cole, CFE***  
***Sonja Yarbrough, CFE***  
Staff Auditors

***Amy Brack***  
Editor

Comptroller of the Treasury, Division of State Audit  
1500 James K. Polk Building, Nashville, TN 37243-0264  
(615) 401-7897

Financial/compliance audits of state departments and agencies are available on-line at  
[www.comptroller.state.tn.us/sa/reports/index.html](http://www.comptroller.state.tn.us/sa/reports/index.html).  
For more information about the Comptroller of the Treasury, please visit our Web site at  
[www.comptroller.state.tn.us](http://www.comptroller.state.tn.us).



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**

State Capitol  
Nashville, Tennessee 37243-0260  
(615) 741-2501

John G. Morgan  
Comptroller

August 27, 2002

The Honorable John S. Wilder  
Speaker of the Senate  
and  
The Honorable Jimmy Naifeh  
Speaker of the House of Representatives  
and  
Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243  
and  
Ms. Connie Fredrick, Executive Director  
Office of Legislative Administration  
War Memorial Building  
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the financial and compliance audit of the Office of Legislative Administration for the years ended June 30, 2001, and June 30, 2000.

The review of management's controls and compliance with policies, procedures, laws, and regulations resulted in no audit findings.

Sincerely,

John G. Morgan  
Comptroller of the Treasury

JGM/mb  
03/009



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF STATE AUDIT**

**SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0264  
PHONE (615) 401-7897  
FAX (615) 532-2765**

August 8, 2002

The Honorable John G. Morgan  
Comptroller of the Treasury  
State Capitol  
Nashville, Tennessee 37243

Dear Mr. Morgan:

We have conducted a financial and compliance audit of selected programs and activities of the Office of Legislative Administration for the years ended June 30, 2001, and June 30, 2000.

We conducted our audit in accordance with government auditing standards generally accepted in the United States of America. These standards require that we obtain an understanding of management controls relevant to the audit and that we design the audit to provide reasonable assurance of the Office of Legislative Administration's compliance with the provisions of policies, procedures, laws, and regulations significant to the audit. Management of the Office of Legislative Administration is responsible for establishing and maintaining internal control and for complying with applicable laws and regulations.

Our audit resulted in no audit findings.

We have reported other less significant matters involving the office's internal controls and/or instances of noncompliance to the Office of Legislative Administration's management in a separate letter.

Sincerely,

Arthur A. Hayes, Jr., CPA,  
Director

AAH/mb

State of Tennessee

# Audit Highlights

Comptroller of the Treasury

Division of State Audit

Financial and Compliance Audit  
**Office of Legislative Administration**  
For the Years Ended June 30, 2001, and June 30, 2000

---

## AUDIT SCOPE

We have audited the Office of Legislative Administration for the period July 1, 1999, through June 30, 2001. Our audit scope included a review of management's controls and compliance with policies, procedures, laws, and regulations in the areas of revenue, expenditures, equipment, and payroll. The audit was conducted in accordance with government auditing standards generally accepted in the United States of America.

## AUDIT FINDINGS

The audit report contains no findings.

---

"Audit Highlights" is a summary of the audit report. To obtain the complete audit report, which contains all findings, recommendations, and management comments, please contact

Comptroller of the Treasury, Division of State Audit  
1500 James K. Polk Building, Nashville, TN 37243-0264  
(615) 401-7897

Financial/compliance audits of state departments and agencies are available on-line at  
[www.comptroller.state.tn.us/sa/reports/index.html](http://www.comptroller.state.tn.us/sa/reports/index.html).  
For more information about the Comptroller of the Treasury, please visit our Web site at  
[www.comptroller.state.tn.us](http://www.comptroller.state.tn.us).

---

**Audit Report**  
**Office of Legislative Administration**  
**For the Years Ended June 30, 2001, and June 30, 2000**

---

**TABLE OF CONTENTS**

---

	<u>Page</u>
<b>INTRODUCTION</b>	1
Post-Audit Authority	1
Background	1
<b>AUDIT SCOPE</b>	1
<b>PRIOR AUDIT FINDINGS</b>	3
Resolved Audit Findings	3
<b>OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS</b>	3
Revenue	3
Expenditures	4
Equipment	4
Payroll	5
<b>APPENDIX</b>	6
Allotment Codes	6

# **Office of Legislative Administration**

## **For the Years Ended June 30, 2001, and June 30, 2000**

---

### **INTRODUCTION**

---

#### **POST-AUDIT AUTHORITY**

This is the report on the financial and compliance audit of the Office of Legislative Administration. The audit was conducted pursuant to Section 4-3-304, *Tennessee Code Annotated*, which authorizes the Department of Audit to “perform currently a post-audit of all accounts and other financial records of the state government, and of any department, institution, office, or agency thereof in accordance with generally accepted auditing standards and in accordance with such procedures as may be established by the comptroller.”

Section 8-4-109, *Tennessee Code Annotated*, authorizes the Comptroller of the Treasury to audit any books and records of any governmental entity that handles public funds when the Comptroller considers an audit to be necessary or appropriate.

#### **BACKGROUND**

The Office of Legislative Administration accounts for the expenditures and revenues of the General Assembly and its committees, commissions, and support agencies, except for the Fiscal Review Committee. Accounting divisions are added and deleted through enabling legislation when committees, commissions, and other agencies are created or terminated. In addition, Legislative Administration is responsible for human resources management and administration of staff including coordinating the Legislative Intern Program.

An organization chart of the office is on the following page.

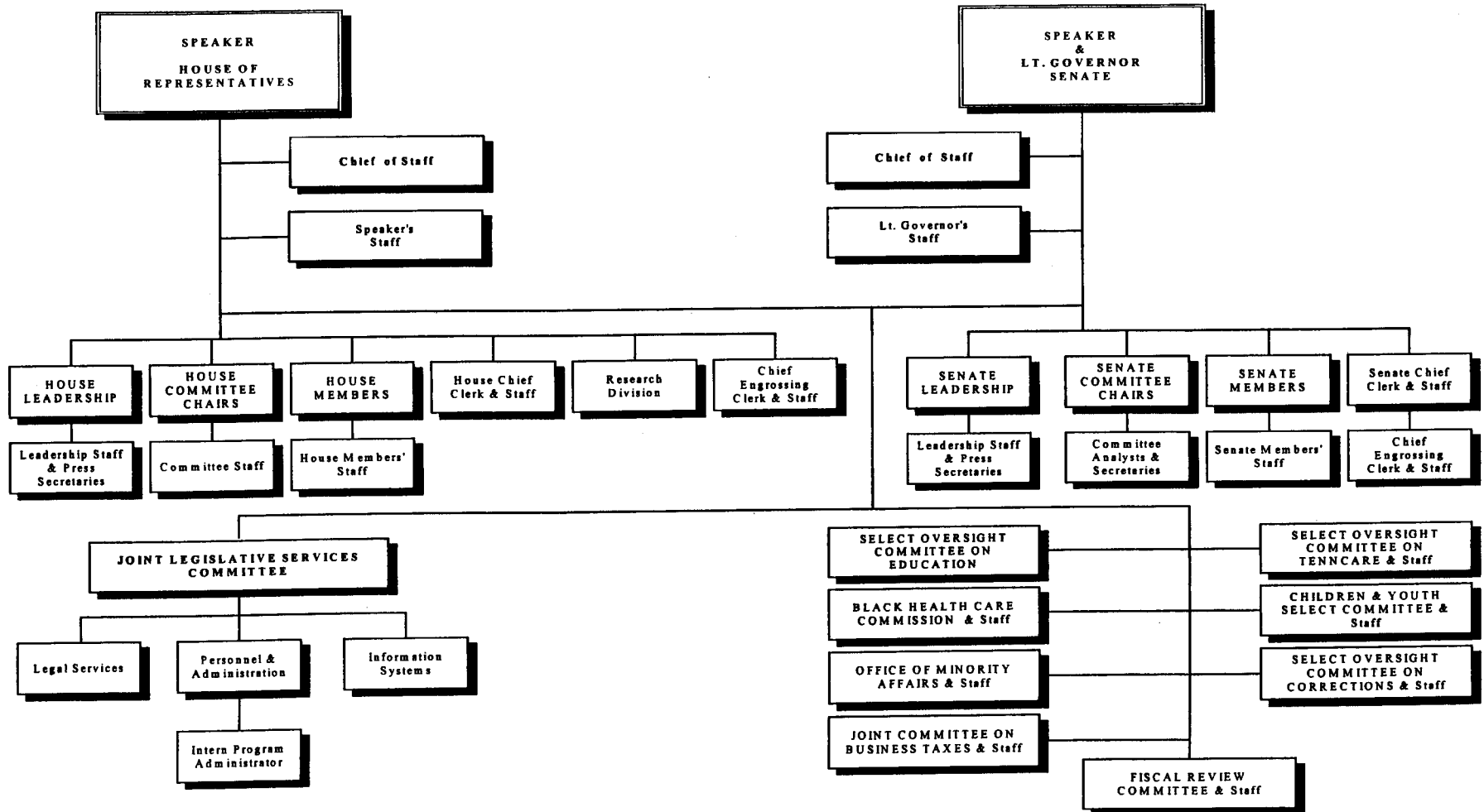
---

### **AUDIT SCOPE**

---

We have audited the Office of Legislative Administration for the period July 1, 1999, through June 30, 2001. Our audit scope included a review of management’s controls and compliance with policies, procedures, laws, and regulations in the areas of revenues, expenditures, equipment, and payroll. The audit was conducted in accordance with government auditing standards generally accepted in the United States of America.

# Legislative Administration Organization Chart





---

## **PRIOR AUDIT FINDINGS**

---

Section 8-4-109, *Tennessee Code Annotated*, requires that each state department, agency, or institution report to the Comptroller of the Treasury the action taken to implement the recommendations in the prior audit report. The Office of Legislative Administration filed its report with the Department of Audit on January 14, 2002. A follow-up of all prior audit findings was conducted as part of the current audit.

## **RESOLVED AUDIT FINDINGS**

The current audit disclosed that the Office of Legislative Administration has corrected previous audit findings concerning written accounting policies and procedures and written policies and procedures for the Legislative Computer System.

---

## **OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS**

---

### **REVENUE**

Our objectives of our review of the controls and procedures over revenue were to determine whether

- internal controls over revenue were in place,
- revenue was timely and properly recorded in the State of Tennessee Accounting and Reporting System (STARS), and
- the petty cash fund was appropriately authorized by the Department of Finance and Administration.

We interviewed key personnel to gain an understanding of the office's procedures and controls over revenue. We also reviewed supporting documentation and tested a nonstatistical sample of revenue items to determine if revenue was timely and properly recorded in STARS, and petty cash was counted and verified with the Department Finance and Administration for proper amount.

Based on our interviews and testwork, we determined controls and procedures were proper, revenue was timely and properly recorded STARS, and petty cash was counted and verified with the Department of Finance and Administration. Although we had no findings related to revenue, a minor weakness was reported to management in a separate letter.

---

## **EXPENDITURES**

The objectives of our review of controls and procedures over expenditures were to determine whether

- internal controls over expenditures were in place,
- expenditure transactions were reasonable and valid,
- expenditures were properly and timely recorded in the State of Tennessee Accounting and Reporting System (STARS),
- recorded expenditures were for goods or services authorized and received, and
- expenditures were in compliance with applicable regulations.

We interviewed key personnel to gain an understanding of the office's controls and procedures for expenditures. We also reviewed supporting documentation and tested a nonstatistical sample of expenditure items to determine whether the expenditures were reasonable and valid, properly and timely recorded in STARS, properly authorized and received, and in compliance with applicable regulations.

Based on our interviews, testwork, and verification of reconciliations, we determined that controls and procedures were proper and that expenditures were reasonable and valid, properly and timely recorded in STARS, properly authorized and received, and in compliance with applicable regulations. Although we had no findings related to expenditures, minor weaknesses were reported to management in a separate letter.

---

## **EQUIPMENT**

The objectives of our review of controls and procedures over equipment were to determine whether

- internal controls over equipment were in place,
- property and equipment were adequately safeguarded,
- the office's property and equipment as listed in the Property of the State of Tennessee (POST) system represented an accurate and complete listing of assets on hand,
- lost or stolen equipment was properly reported to the Office of the Comptroller and deleted from POST, and
- equipment purchased during the audit period was properly recorded in POST.

We interviewed key personnel to gain an understanding of the office's controls and procedures for equipment items. We also reviewed supporting documentation and tested a nonstatistical sample of equipment items to determine if property and equipment were adequately

safeguarded, the office's property and equipment as listed in POST represented an accurate and complete listing of assets on hand, lost or stolen equipment was properly reported to the Office of the Comptroller and deleted from POST, and equipment purchased during the audit period was properly recorded in POST.

Based on our interviews and testwork, we determined controls and procedures were proper, property and equipment were adequately safeguarded, the office's property and equipment as listed in POST represented an accurate and complete listing of assets on hand, lost or stolen equipment was properly reported to the Office of the Comptroller and deleted from POST, and equipment purchased during the audit period was properly recorded in POST. Although we had no findings related to equipment, minor weaknesses were reported to management in a separate letter.

---

## **PAYROLL**

The objectives of our review of controls and procedures over payroll and personnel were to determine whether

- internal controls over payroll and personnel were in place, and
- individuals paid during the audit period were actually employed by the office.

We interviewed key personnel to gain an understanding of the office's procedures and controls for payroll. We also tested a nonstatistical sample of payroll transactions to verify that individuals paid during the audit period were actually employed with the office.

Based on interviews and testwork performed, we determined that procedures and controls for payroll were proper and employees paid during the audit period were actually employed by the office. Although we had no findings related to payroll and personnel, a minor weakness was reported to management in a separate letter.

---

## APPENDIX

---

### ALLOTMENT CODES

Office of Legislative Administration allotment codes:

301.01	Legislative Administration Services
301.07	House of Representatives
301.08	Senate
301.13	General Assembly Committees
301.16	General Assembly Support Services
301.17	Tennessee Code Commission